GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Ind. & Com. (Prog.III) Dept.,-Andhra Pradesh Fisheries Policy 2015-20 - Operational Guidelines for implementing the Fisheries Policy-Orders-Issued.

INDUSTRIES AND COMMERCE (PROG.III) DEPARTMENT

G.O.MS.No. 54 **Dated: 29-04-2016**

Read the following:

1) G.O.Ms.No.30, Animal Husbandry Dairy Development &Fisheries (Fish) Dept., dt.31.10.2015
2) G.O.Ms.No.69, G.A (AR&TI) Dept., dt.27.02.2016
3) From the Chief Executive Officer, A.P., Food Processing Society, Hyderabad Lr.No. APFPS/O. Guidelines –Aqua / 2015-16, dt.19.03.2016.

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ORDER:

In the G.O., 1st read above, Government have issued orders extending the fiscal benefits covering the categories of (a) Processing Units (b) Aquaculture Pond/ Farm (c) Feed Manufacturing Units/ Fishery related Equipments Manufacturing (d) Aqua Labs/ Disease Diagnostic Labs promotion under Fisheries Policy 2015-20.

2. In the G.O., 2nd read above, Government issued orders, transferring the subject matter "Aqua Produce Processing (Fish & Shrimp)" from Animal Husbandry, Dairy Development & Fisheries Department to the Industries & Commerce (Food Processing) Department.

3. In the reference 3rd read above, the Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad has submitted draft Operational Guidelines for implementation Aqua Processing Projects envisaged under Fisheries Policy 2015-20.

4. Government after careful examination of the proposal of Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad in the matter hereby accord approval to the Operational Guidelines pertaining to Aqua Processing units under Andhra Pradesh Fisheries Policy 2015-20 as appended to this order as Annexure. Operational Guidelines approved as per this order are applicable with effect from 31.10.2015. All projects which have started commercial production after 31.10.2015 are eligible for incentives as per the guidelines approved as per this order. Andhra Pradesh Food Processing Society, Hyderabad is designated as Nodal Agency for implementation of Aqua Processing projects as per this order.

5. This order issues with the concurrence of Finance [FMU(REV,I)] Department vide their U.O.No. FIN-45027/114/2016,dated 19.4.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (M&G AND FP)

To
The Chief Executive Officer, APFPS, Hyderabad.
The Commissioner of Fisheries, A.P., Hyderabad

The Director of Industries, A.P., Hyderabad.
The Principal Secretary to Govt., AH, DD & Fisheries Dept.,
The Principal Secretary to Government, Revenue (Assn./Regn.,)Dept.,
The Principal Secretary to Govt., Energy, I&I Dept.,
The Principal Secretary to Government, Finance Dept.

Copy to:

The P.S to M (Agri, AH,DD&F)
The P.S to Secretary to CM
The P.S to Chief Secretary
All District Collectors through Commissioner of Fisheries
All the Heads of the Departments concerned through Commissioner of Fisheries
The Secretary to Govt., of India, Ministry of Agriculture,
Dept., of Animal Husbandry, Dairying & Fisheries, Krishi Bhavan, New Delhi
The Convener, State Level Bankers Committee, A.P., Hyderabad
The Chief Executive, National Fisheries Development Board, Hyd.
SF/SC.

//FORWARDED :: BY ORDER//

SECTION OFFICER

Annexure

[G.O.Ms.No. 54, Ind. & Com. (Prog.-III) Dept. Dt: 29-04-2016]

Operational guidelines for implementation of AP Fisheries Policy 2015-20

Scheme for establishment of Shrimp or Fish processing / Filleting units

1. Objectives:

1.1 The objective of the scheme is to provide integrated and complete cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer from the production site to the market. Pre-cooling facilities at production sites, reefer vans, and mobile cooling units also assisted under the scheme. Scheme helps linking groups of producers to the processors and market through well equipped supply chain.

2. Components of the Scheme:

2.1 The Scheme have the following components:

(a) Minimal Processing Centre at the farm level with facility for weighing, sorting, grading waxing, packing, pre-cooling, Control Atmosphere (CA)/ Modified Atmosphere (MA) cold storage, normal storage and Individual Quick Freeze (IQF);

(b) Mobile pre-cooling vans and reefer trucks;

(c) Distribution hubs with Control Atmosphere (CA)/ Modified Atmosphere (MA) chambers/ cold storage/ Variable Humidity Chambers, Packing facility, Cleaning in Process (CIP) Fog treatment, Individual Quick Freeze(IQF) and blast freezing;

2.2 To avail financial assistance under the scheme, any two of the components from among (a), (b) or (c) above have to be set-up by the entrepreneurs considering the functional nature of the facility.

3. Eligible Sectors:

Following products are eligible to be covered under the scheme:

(a) Shrimp

(b) Fish, Crabs, squids and any other Fish & Fishery products processing which requires integrated cold chain process.

4. Invitation & Selection of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given at serial no:12. *The evaluation reports will be placed before the State Level Screening Committee and the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

5. Eligibility Conditions:

The eligibility conditions of applicants are as under:

5.1. The applicant should have sound financial back ground. The net worth of the applicant(s) should be more than 1.5 times of the grant applied for.

5.2. The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.

5.3. Project Appraisal Report from Bank/Financial Institution must contain the entire project components for which grant are sought.

5.4. No second proposal from the same applicant/ company would be considered.

5.5. Those units which obtain term loan on subsidized interest rates is eligible for investment subsidy only.

6. Ineligible components:

6.1 The following items of civil works will not be considered for grant-in-aid (The list is only indicative and not exhaustive)

i. Compound wall
ii. Approach Road
iii. Land development
iv. Any residential building or rest room / guest house
v. Canteen
vi. Labour Rest Room and quarters for workers

vii. Security/Guard Room or enclosure
viii. Consultancy Fee, taxes, etc.,
ix. Non-technical civil works not directly related to processing or storage infrastructure.

6.2 The following items of Plant and machinery will not be considered for grant-in-aid (The list is only indicative and not exhaustive)

a. Margin money, working capital and contingencies
b. Pre operative expenses
c. Fuel, consumables, spares and stores
d. Computers and allied office furniture
e. Transport vehicles other than the Reefer trucks /vans/ refrigerated carrier.
f. Second hand/old machines
g. All types of service charges, carriage and freight charges
h. Closed Circuit TV Camera and security system related equipment
i. Consultancy Fee, Taxes, Freights, etc.
j. Stationery items
k. Plant & Machinery not directly related to processing or storage infrastructure.

7. Financial assistance:

7.1. Grant-in-aid:

7.1.1. **Shrimp Processing Units:** Grant-in-aid is permitted **@ 50 per cent** of the bank appraised project cost including Interest during Construction (IDC) and Land cost, subject to a maximum of **Rs. 5 crore** per project. The cost of land should not exceed **15%** of the total project cost on sub-registrar value. Pre-operative expenses will not be eligible for the purpose of calculation of grant-in-aid.

7.1.2. **Fish processing / filleting Units:** Grant-in-aid is permitted **@ 50 per cent** of the bank appraised project cost including Interest during Construction (IDC) and Land cost, subject to a maximum of **Rs. 7 crore** per project. The cost of land should not exceed **15%** of the total project cost on sub-registrar value. Pre-operative expenses will not be eligible for the purpose of calculation of grant-in-aid.

7.2. Interest-subsidy:

The interest subvention for Shrimp, Fish processing / filleting units are extended for a period of **5 years** from the date of completion of the project. Every year the interest subsidy **@ 6 per cent** will be paid to the Bank/FI directly against the term loan sanctioned by it, subject to a maximum of **Rs. 2.50 cr**. per project or actual interest accrued on term loan, whichever is less.

7.3. Any project dealing with processing of shrimp & fish partially or fully will be eligible for grant-in-aid under Shrimp Processing units only (as per point 7.1.1)

8. Documents required:

i. Application in the prescribed format (**Annexure-I**)
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Networth certificates of applicant (s) duly certified by Chartered Accountant
vii. Bio-data/background of the office bearers/promoters of the organisation.
viii. Blue Print of the building plan approval
ix. Notarized English version of land document (In case it is in any of the regional languages) /Land registered documents
x. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
xi. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
xii. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project
xiii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers

xiv. *Marketing Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.*
xv. Process Flow diagram
xvi. Entrepreneur's Memorandum (EM)
xvii. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running.
xviii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/group company as well as the applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society (APFPS). If yes, the details thereof.
b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

9. Release of Grant: The grant-in-aid amount will be released in three instalments after the beneficiary has spent his share as per the following schedule

9.1 Release of 1st Instalment:

1st instalment of 25% of the total grant under the scheme will be released after ensuring that 25% of the promoters contribution and 25% of the term loan has been spent on the project. The applicant will have to submit the following documents along with the request for the 1st Instalment.

I. **Duly notarized Surety Bond** – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- (**Appendix-A**).
II. **Duly notarized Affidavit** – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- **(Appendix-B).**
III. **Bank Certificate** certifying that they have released 25% of term loan and have no objection on release of 1st instalment of grant being provided by state**(Annexure-C).**
IV. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 25% utilization of Promoters contribution,25% of Term loan**(Appendix-D).**
V. Invoices/receipts from the suppliers/vendors.
VI. Bank statement highlighting the payment made to suppliers
VII. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
VIII. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
IX. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
X. Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.
XI. Submission of Statutory clearances / approvals
a. Consent for Establishment from Pollution control board
b. Approval of Building plan
c. NOC from Gram panchayat

9.2 Release of 2nd Instalment:

The second instalment of 50% of the total grant may be released by the competent authority based on submission of the documents on utilization of the first instalment of the grant released and also the utilization of 75% of the Term Loan and 75% of the Promoter's contribution.

I. **Utilization Certificate –**Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company**(Appendix-E)**
II. **Bank Certificate –** certifying that they have released 75% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by States **. (Annexure F)**
III. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 75% utilization of Promoters contribution,75% of Term loan and1st instalment of released grant. **(Appendix-D)**

IV. **Certificate of the Chartered Engineer (Civil)** for technical civil works indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.
V. **Certificate of the Chartered Engineer (Mech.** for Plant & Machinery indicating item wise progress ,cost, quantity, manufacturer/ supplier and comment on quality.
VI. Bank statement highlighting the payment made to suppliers
VII. Compliance of conditions imposed at the time of release of 1st Instalment of grant, if any.
VIII. Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.

9.3 Release of 3nd Instalment:

The Third and final instalment of the grant may be released by the competent authority based on submission of the documents specified below by the unit the first and second instalment of the grant released and also the utilization of 100% of Term Loan and 100% of Promoter's contribution.

i. **Utilization Certificate –**Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**
ii. **Bank Certificate –** certifying that they have released 100% of term loan and 2nd instalment of grant released by the State. They have no objection in releasing 3rd instalment of grant being released by State **(Annexure-F).**
iii. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 100% utilization of Promoters contribution, 100% of Term loan and 2nd instalment of released grant. **(Appendix- D).**
iv. Bank statement highlighting the payment made to suppliers
v. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity ,manufacturer/ supplier and comment on quality.
vi. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.
vii. Compliance of conditions imposed at the time of release of 2nd Instalment of grant, if any.
viii. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.
ix. Before release of 3rd & final instalment of grant-in-aid, eligible grant-in-aid for the project will be re-calculated based on the proposed/appraised /actual cost, whichever is less, for the already approved items and released accordingly.
x. Submission of Statutory clearances / approvals
   a. Consent for Operations from Pollution control board
   b. Approval from Fire & Safety Department
   c. License from FSSAI
   d. Electricity load release certificate

9.4 Release of Interest subvention:

The sanctioned Interest subvention is released for every 6 months after completion of every half-year i.e., 31st March for first half year and 30th September for second half year for 5 years from the date of Commercial production after submission of the following documents:

i. Request letter from Promoter
ii. Bank Statement highlighting the interest paid **on term loan** to the Bank
iii. No objection letter from bank for releasing the sanctioned interest subvention.
iv. CA certificate showing the amount of interest paid for **term loan on** monthly / quarterly for the respective 6 months.
v. Production details – month wise (in MTs / KLs)
vi. Sales of the unit – month wise (Rs.in crores)

10. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 18 months from the date of the issue of approval letter unless extended by the competent authority for the reasons to be recorded in writing.

11. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 6 years from the date of Commercial operations .In such cases, all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production up to a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the six (6) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for a period of 6 years, with in 4 months from completion of respective financial year.*

12. Evaluation Criteria:

The received proposals will be evaluated as per the following given criteria.

S.No.	Criteria			Max Marks
1	**Viability of the cluster**			**25**
	I. Adequate volume and wider mix of raw materials / days of operation in a year		**15**	
	i. Availability of raw materials, product mix & no. of days of operations		5	
	ii. Suitability of project location (s) for proposed operations and their connectivity through road, railways etc.		5	
	iii. Status of Project Land		5	
	Land in possession of the applicant with approval for industrial use	5		
	Land in possession of the applicant without approval for industrial use	3		
	Land not in possession of the applicant but Agreement to sale executed	2		
	II. Agreement / Arrangements for Raw Materials Procurement (Background in Agribusiness & Food Processing)		**10**	
	i. Initiatives already taken for Backward & Forward Linkages		5	
	ii. Experience in Food Processing (existing Food Processing operations)		5	
2	**Proposed Investment in Core Processing Facilities / Distribution Hub / Value Added Centre / Multi Chamber and Multi Product Cold Storage Facilities**			**25**
	I. Financial Capability of applicant		**5**	
	Net worth more than 5 times of equity	5		
	Net worth is more than 4 but less than 5 times of equity	4		
	Net worth is more than 3 but less than 4 times of equity	3		
	Net worth is more than 2 but less than 3 times of equity	2		
	Net worth is less than 2 times of equity	1		
	II. Economic Viability of project based on Bank appraisal (if not given in bank appraisal the same will be taken from DPR)		**5**	
	IRR / **Marks** / **DSCR**			
	More than 20% / 5 / Morethan 3.0			
	Between 17% to 20% / 4 / Between 2.5 to 2.9			
	Between 14% to 16.99% / 3 / Between 2.0 to 2.4			
	Between 10% to 13.9% / 2 / Between 1.5 to 1.9			
	Less than 10% / 0 / Less than 1.5			
	III. Extent of Proposed Investment in Cold Chain infra components as compared to processing infrastructure		**15**	
	More than 80%	15		
	Between 60% to 80%	10		
	Below 60%	5		

3	**Proposed Investment in Minimal Processing Centre / Farm Level Infrastructure including Collection Centres and reefer transport etc.** Up to 10% of project cost (Excluding cost of Land) — 10 10% - 20% — 15 20% - 40% — 25 More than 40% — 10	**25**
4	**Employment Generation (Direct Employment proposed)** More than 100 — 5 Between 75 – 99 — 4 Between 50 – 74 — 3 Between 25-49 — 2 Less than 25 — 1	**5**
5	**Leveraging of investment in the Project** Proposed private Investment excluding land less than 2 times of grant sought — 3 Proposed private Investment excluding land more than 2 times of grant sought — 5	**5**
6	**Adoption of Modern Technology such as CA / MA storages, Packing facilities, IQF etc.**	**15**
	I. Extent of Coverage of Cold Chain Components- CA/MA, IQF, Packaging, etc. — **10** Components like CA/MA, IQF, Packaging etc., — 10 Normal cold storage operations — 5	
	II. Extent of procurement from Reputed Suppliers — 5 Very well known, reputed, multinational supplier — 5 Other lesser known, local or regional suppliers — 3	
	Total	**100**

M. GIRIJA SHANKAR
SECRETARTY TO GOVERNMENT (M&FP) (FAC)

Annexure - I

Application Form for setting up of Shrimp / Fish processing / Filleting units

S.No	Particulars	Details
A.Promoters		
1	Name & Address of the promoter including telephone, fax,e-mail etc.	
2	Type the organization like Govt. Institution / Organisation, Industry association, University, NGO, Co-operative, Entrepreneur, Partnership firm, Company etc.	
3	Background / Credentials of applicant organization. Details of having experience in food processing or supply chain management, if any.	
B. Project Description		
4	Name of the Project	
5	Location/Area of the project	
6	Products/By Products	
7	Capacities of the various components of the integrated cold chain (Cold storage, CA/MA chamber, Deep freezer, IQF (in MT/Hr.),Reefer Van (in numbers and in MT)	
C. Project Cost (indicating proposed cost, appraised cost separately)		
8	Capital Investment(Fixed Capital) Land Area Cost Building Civil Works Technical Civil Works	
9	Plant & Machinery (Indigenous)(Capacity/Specification/Cost)	
10	Pre-operative expenses	
11	Working Capital	
12	Raw Material/Packaging (Source/Quantity/Cost)	
13	Labor (Quantity/Cost)	
14	Effluent Disposal (Method/Machinery/Cost)	

D. Means of Finance (indicating proposed & appraised means of finance, separately) (Rs. In crores)			
15	Means of Financing		
	a. Equity Promoter		
	b. Loan (Term/working capital)		
	c. Assistance from other sources		
	d. Fund requirement from APFPS		
16	Financial Benchmarks		
	a. Breakeven point		
	b. Internal rate of return		
	c. DSCR		
E. Implementation Schedule			
17	Item of work and Date of implementation	**Date of starting**	**Date of completion**
F. Personnel			
18	Details of technical & Managerial personnel (Operation, Maintenance, managerial, finance, marketing etc.) required & available.		
G. Employment Generation- Direct/Indirect			
19	a. Direct (Male & Female separately) b. Indirect (Male & Female (separately)		

Signature
Name and Designation :

Date:

Seal of the Organisation

Place:

Operational guidelines for providing Investment subsidy (grant in aid)/ Fiscal Incentives for Shrimp / Fish Processing Units

Objective:

The main objective of the scheme is to increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of fishery sector. The scheme envisages extending the fiscal incentives for establishment and successful running of new fishery sector processing units in the state.

(1) Implementing Agency:-

Andhra Pradesh Food Processing Society (APFPS) shall be a Nodal Agency to administer the Investment subsidy and Interest subvention for all the projects sanctioned.

(2) Policy Operational Period:-

The operational Guidelines of Aqua Produce Processing (Fish & Shrimp) units will be applicable from the date of issue of Fisheries Policy of Andhra Pradesh 2015-20 (G.O.Ms.No.30 dated 31.10.2015)

(3) Screening Committee:-

State Level Screening Committee consists of

1) Secretary / Principal Secretary, Industries (FP) – Chairman
2) Commissioner / Director of Fisheries, AP
3) Director of Industries, AP or his nominee
4) Representative of Finance Department
5) Representative of State Level Bankers Committee (SLBC)
6) Managing Director, APSFC or his nominee
7) C.G.M NABARD or his nominee
8) C.E.O – A P Food Processing Society - Convenor

(4) Sanctioning Authority :-

State Level Empowered Committee with Chief Secretary as Chairman shall decide and accord project specific approvals of schemes processed in State Level Screening Committee. The Committee will have the following Members:-

1) Special Chief Secretary / Principal Secretary, Agriculture
2) Secretary / Principal Secretary, Horticulture
3) Secretary / Principal Secretary, Finance dealing with Food Processing subject
4) Secretary / Principal Secretary, Animal Husbandry and Dairy
5) Secretary / Principal Secretary, Marketing
6) Secretary / Principal Secretary, Industries – Convener
7) Any expert to be co-opted with the orders of the Govt.,

SLEC may periodically meet to sanction, review and evaluate the implementation of the schemes in the State.

(5) Selection Procedure :-

(A) Selection of Developers of the scheme will be through open, transparent method through a newspaper advertisement

Director of Industries, GoAP is the nodal agency for providing the following fiscal incentives to the new shrimp / fish and fishery products processing units:

1. Reimbursement of Power Cost:

1.1. Power subsidy on par with Industrial policy from 2016-17.

1.2. All eligible new shrimp / prawn / fish processing units shall submit their claims in the prescribed application along with documents mentioned in the application for reimbursement of power cost within 6months after completion of every half-year i.e, by 31st March for first half-year and 30th September for second half-year.

2. Exemption of Stamp duty, Transfer duty, Mortgage and Hypothecation Duty:

2.1. 100% Stamp duty exemption in land registration/lease of land/, mortgage deed/Bank documentation/ Hypothecation etc.

Procedure for sanction of Fiscal Incentives from serial no 1 to 2:

1. **All applications are to be filed with General Manager, District Industries Centre concerned duly following the procedure**
2. **Scrutiny / Verification / Sanction of the fiscal incentives applications and committees constituted at the State level and District level will be the same as contained in the operational guidelines for implementing the Industrial Development Policy (IDP) & Sector Specific Policies of Industries & Commerce Department, Government of Andhra Pradesh.**

Appendix-A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a_____(Type of organization) incorporated / registered under the _____(Name of the Act) and having its registered office at _____ (hereinafter called the "Obligers") are held fully and firmly bound to the Governor of Andhra Pradesh (hereinafter called the "Government") for the sum of Rs._____(Rupees_____ only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____ day of _____ in the year Two Thousand

WHEREAS on the Obliger's request, the Government as per Sanction Order No. Dated_____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligers grants-in-aids-in-aid of Rs._____ (Rupees _____only) for the purpose of (description of the project) at_____ out of which the sum of Rs._____(Rupees only) have been paid to the Obligors (the receipt of which the Obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the Obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfil and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms &conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligors shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligers shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligers individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in- aid with interest of 10%per annum thereon. If a part of the grants-in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The Obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property)buildings created / acquired constructed largely from out of the grants-in-aid sanctioned

by the State Government of Andhra Pradesh or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligers.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Chief Secretary to the State Govt. of Andhra Pradesh on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers and

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day hereinabove written in pursuance of the Resolution No._____ Dated passed by the governing Body of the Obligers, a copy whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the Governor of Andhra Pradesh on the date appearing below:

Signature of the AUTHORISED SIGNATORY

Signed for and on behalf of
(Name of the Obliger in block letters) (Seal / Stamp of Organization)

1. Signature of witness
Name & Address

_____
_____
_____

2. Signature of witness
Name & Address

_____
_____
_____

TO BE FILLED UP BY THE A.P. Food Processing Society
(ACCEPTED)
For and on behalf of the Governor of Andhra Pradesh

Name:_____ Designation: _____ Dated:_

Notary Seal & Signature

Appendix-B
(On non-judicial stamp paper of Rs. 100/- Affidavit)

I …….. S/o …… Resident of …… director /proprietor of M/s ……. do here by solemnly affirms and state as follows:

(a) That organization's sister concern (s)/ related company/Group company as well as the applicant company itself has not obtained any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society.

(b) That the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./GOI organization/agencies and State Govt for the same purpose/activity /same components.

Deponent
Verification :

Verified that the content of this affidavit are true and correct to the best of the knowledge and belief of the deponent and no part of this affidavit is kept concealed therein, If anything is found false in this Affidavit subsequently deponent and organisation shall be liable jointly and severally for action under the laws, hence verified at __(*Place*)____ on __(*Date*)___.

Deponent

Notary Seal& Signature

Appendix – C
(Letter Head of the Bank)

Certificate

1. Certified that this bank has appraised the project of M/s …….. (Name and address of the organisation) for APFPS grant as per guidelines of the Scheme and also sanctioned term loan of Rs. ……lakh (if applicable).

2. It is further certified that we have released Rs…….. lakh (----% of sanctioned term loan) to M/s……. (Name and address of the organization) .

3. We have no objection in releasing *1st / 2nd installment of grant if sanctioned by the State Govt.

(Signature) (Name)
(Branch Manager)

Appendix-D
(Letter Head of the CA)

CA certificate (With membership No. of CA) in the following format

(i) Project Cost: **(Rs. in lakh)**

Name of the Component/Item	Proposed cost	Cost as appraised by the Bank	Actual Cost
Land			
Building / Civil Works			
Plant & Machinery			
Misc. Fixed Assets			
Other's			
Total			

(ii) Means of Finance: **(Rs. in lakh)**

S.No.	Item	Proposed cost	As per appraisal	Actual Cost
	Promoter's Equity			
	Term Loan			
	Unsecured Loan			
	Grant from APFPS			
	Other's			
	Total			

Details of un secured loans, if any, duly certified by CA.

Signature and Seal of C.A.

Appendix – E
Format for Utilization Certificate GFR 19-A

Letter No. & Date	Amount
TOTAL	

1. Certified that out of Rs…… of grants-in-aid sanctioned during the year…….. in favour of ……. Under APFPS Letter No. given in the margin and Rs…… on account of unspent balance of the previous year, a sum of Rs…….. has been utilised for the purpose of …….. for which it was sanctioned, that the balance of Rs._____ remaining un-utilized at the end of the year __ has been surrendered to Government (Vide No:_____ dated_____) will be adjusted towards the grants-in-aid payable during the next year.

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kinds of checks exercised

1.

2.

3.

Signature…….. Designation……. Date……..

Appendix – F
(Letter Head of the Bank)

Certificate

1. Certified that this bank has released ___(75%/100%) of term loan sanctioned i.e.,Rs._____ lakh and also 1st / 2nd instalment of grant of Rs._____ lakhs released by the APFPS vide sanction order No._____ Date_____ to M/s……. (Name and address of the organization), which has been credited in account number …….of the firm.

2. We have no objection in releasing 2nd / 3rd instalment of grant if sanctioned by the State Govt.

(Signature) (Name)
(Branch Manager)